



**STATE OF NEW JERSEY**

**Board of Public Utilities**

*Two Gateway Center  
Newark, NJ 07102*

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF )  
CSC TKR, INC. D/B/A CABLEVISION OF )  
MORRIS FOR A CERTIFICATE OF APPROVAL )  
TO OPERATE AND MAINTAIN A CABLE )  
TELEVISION SYSTEM IN THE TOWNSHIP )  
OF MENDHAM, COUNTY OF MORRIS, )  
STATE OF NEW JERSEY )

CERTIFICATE OF APPROVAL

DOCKET NO. CE01070449

Schenck, Price, Smith and King, Morristown, New Jersey, by James Eric Andrews, Esq., for Petitioner.

Township Clerk, Township of Mendham, New Jersey, by Penny Newell, for the Township.

BY THE BOARD<sup>1</sup>:

On July 25, 2001, CSC TKR, Inc. d/b/a Cablevision of Morris ("Petitioner") filed a petition for a Certificate of Approval for the construction and operation of a cable television system in the Township of Mendham ("Township"). Petitioner is a New Jersey cable television company franchised in 29 municipalities in Morris and Sussex Counties.

The petition indicates that Petitioner filed an application for municipal consent with the Township on April 27, 2000, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-11. The Township held a public hearing on the application, pursuant to N.J.S.A. 48:5A-23(b). The Township adopted an ordinance granting municipal consent to Petitioner on June 11, 2001. On July 9, 2001, Petitioner formally accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

RCN of New Jersey, Inc. ("RCN") is also authorized to provide cable service to the Township, pursuant to Docket No. CE97040260. Both Petitioner and RCN have been granted municipal consent to serve the entirety of the Township.

The Board has reviewed the application for municipal consent, the petition for a Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board HEREBY FINDS the following:

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<sup>1</sup> Commissioner Carol J. Murphy did not participate in the deliberations or vote on this matter.

1. Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval. Further, the Township reviewed these qualifications in conjunction with the municipal consent process. See N.J.S.A. 48:5A-22 to -29 and N.J.A.C. 14:18-11.
2. The design and technical specifications of the system will ensure that Petitioner provides safe, adequate and proper service.
3. The franchise period as stated in the ordinance is ten years. The Office of Cable Television finds this period to be of reasonable duration. The franchise period is subject to a two year renewal pursuant to N.J.S.A. 48:5A-19 and N.J.A.C. 14:17-6.7.
4. Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.
5. Pursuant to N.J.S.A. 48:5A-26(b), the ordinance specifies a complaint officer. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with N.J.A.C. 14:17-6.5.
6. Petitioner shall maintain a local business office or agent within a 15 mile radius of the Township for the purpose of receiving, investigating and resolving complaints. The current local office meeting the requirements of this provision is located at 683 Route 10 in Randolph Township.
7. The franchise fee to be paid to the Township is specified to be 2% of Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Township. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
8. Petitioner shall initially construct its cable system in the same areas that RCN is providing service and in those other areas where it is economically reasonable and technically feasible to build. Petitioner shall build to more than 90% of the Township in the public right-of-way serving two homes per mile by December 31, 2002. After December 31, 2002, Petitioner shall extend cable service along any public right-of-way outside its primary service area to those residences within the franchise territory, which are located in areas that have a residential density of 15 homes per mile or greater. In all other areas, Petitioner shall utilize the line extension policy attached to the Certificate as Appendix "I". The minimum homes per mile figure is 15.

9. Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its application and the ordinance. Petitioner shall provide one channel for non-commercial community and governmental access, community announcements and videotaped programming of local interest. Petitioner shall provide one channel for non-commercial public, educational and governmental access. Petitioner shall provide some studio and remote video production equipment for use by groups and non-profit organizations for production of community interest programs and specific public service announcements.
10. Petitioner shall provide the Township with a capital contribution in the amount of \$40,000.00 to be used towards the purchase of PEG access equipment, such as cameras, editing and playback devices or for the purchase of other telecommunications equipment as deemed appropriate by the Township. On the fifth anniversary of the date of this Certificate, Petitioner shall provide the Township with an additional capital contribution in the amount of \$10,000.00, to be used by the Township in the same manner as the initial contribution. Petitioner has agreed with the Township not to pass through the costs for the capital contributions to subscribers as a separate line item on subscribers' bills.
11. Petitioner shall provide one standard installation and basic monthly service, free of charge, to: a) all state or locally accredited K-12 schools; b) all public libraries; and c) the Township Municipal Building.
12. Petitioner shall provide one free cable modem connection, with free monthly Internet service, to: a) all state or locally accredited K-12 schools and all libraries in the Township; b) all public libraries; and c) the Township Municipal Building. The schools and libraries shall be permitted, at their own cost, to network no more than 25 personal computer terminals to the cable modem provided by Petitioner. The Township shall be permitted, at its own cost, to network up to four personal computer terminals in the Municipal Building to the cable modem provided by Petitioner.
13. Petitioner shall maintain a performance bond of \$25,000.00 for the life of the franchise. For the period of construction, Petitioner shall maintain a performance bond of \$100,000.00.
14. Petitioner shall establish a senior citizen's discount in the amount of 10% of the monthly basic service, to any person 62 years of age or older, and who meets the income and residency requirements of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program.

It is to be noted here that the Township's municipal consent ordinance requires an additional performance bond in the amount of \$100,000.00 during the period of construction of the cable system in the Township. The Cable Television Act requires that, within its application for municipal consent, a cable company must include evidence of a commitment for a performance bond in an amount of not less than \$25,000.00, pursuant to N.J.S.A. 48:5A-28(d). Although the municipality must approve the amount, the sufficiency and reasonableness of the performance

bond is subject to review by the Office of Cable Television and approval by the Board. The purpose of this performance bond is to ensure all undertakings as promised in the municipal consent application and the ordinance.

Petitioner has accepted the ordinance in its entirety. The Office of Cable Television has reviewed the Township's request for an additional performance bond and found that since Petitioner has plans to extend cable plant to the entirety of the Township, the Board should approve the provision for an additional bond in the amount of \$100,000.00 during the period of construction. Therefore, this Certificate of Approval confirms that Petitioner shall provide a performance bond in the amount of \$25,000.00 for the life of the franchise and an additional performance bond in the amount of \$100,000.00 during the period of construction. Upon completion of the construction, Petitioner shall seek certification from the Township that construction is complete to its satisfaction and subsequently apply to the Office of Cable Television for an administrative reduction of the bonds to the statutory amount of \$25,000.00.

Based upon these findings, the Board HEREBY CONCLUDES, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), that Petitioner has sufficient financial and technical capacity and meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, Petitioner is HEREBY ISSUED this Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Township, subject to the following condition:

Petitioner shall provide the Office of Cable Television with construction status reports every 90 days beginning thirty days from the date of issuance of this Certificate. Reporting shall continue until the construction is completed and the Office of Cable Television notifies Petitioner that no further reports are necessary. The reports shall include, but not be limited to, the following: 1) an account of the total miles projected, both aerial and underground; 2) the total miles yet to be built, both aerial and underground; 3) the number, date(s) of submission and percentage of the total make-ready surveys submitted to the utilities; 4) the number, date(s) received and percentage of the total make-ready received from the utilities; 5) licenses received (e.g., total miles released by utilities); 6) miles of cable strand wire placed; 7) miles of aerial plant constructed; 8) miles of underground plant constructed; 9) total plant constructed; and 10) miles of activated plant.

This Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein.

Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. Section 76.1 et seq. Any modifications to the provisions thereof, shall be incorporated into this Certificate. Additionally and more specifically, Petitioner shall adhere to the technical standards of 47 C.F.R. Part 76, Subpart K.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Certificate is issued on the representation that the statements contained in Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire ten years from the date of this Order.

DATED: November 8, 2001

BOARD OF PUBLIC UTILITIES  
BY:

(signed)

CONNIE O. HUGHES  
PRESIDENT

(signed)

FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)

FRANCES L. SMITH  
BOARD SECRETARY